

## Lesson 9.1 Elements of a Marketing Strategy

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. A marketing strategy is the way marketing activities are planned and coordinated to achieve an organization's goals.
- F   2. Effective marketers try to serve all potential consumers in a market.
- F   3. The most important factors used to segment a market are demographic characteristics of consumers.
- T   4. A segment can be identified by the way customers make purchase decisions.
- F   5. A business should never target more than one segment in a market.
- T   6. Businesses will select the market segment that offers the best marketing opportunity to become the target market.
- T   7. Each target market requires a unique marketing mix that responds to the differences of each market.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D   8. Which of the following factors would not be used to segment a market?
  - A. demographics
  - B. psychographics
  - C. buying behavior
  - D. intensity of competition
- C   9. An effective target market must be composed of
  - A. a large number of potential customers
  - B. people who already prefer the businesses products and services
  - C. individuals with common, important needs that are different from those outside the target market
  - D. all of the above
- A   10. Each target market requires a marketing mix that
  - A. is different in important ways from other target markets
  - B. emphasizes product features rather than price and promotion
  - C. is based on the needs of the business
  - D. is completely different from that offered by major competitors

Activity 1 • Segmenting Your Class

**Directions:** Using your classroom as a sample, survey your classmates and divide the market, consisting of the entire class, into smaller segments using the criteria listed below. Describe each segment.

1. Based on demographic characteristics such as age, gender, race/ethnicity, and year in school – Number of segments: Answers will vary.

Segment 1	Segment 2	Segment 3	Segment 4
Answers will vary.			

2. Based on psychographic characteristics such as the type of music, sports, and leisure activities they enjoy – Number of segments: Answers will vary.

Segment 1	Segment 2	Segment 3	Segment 4
Answers will vary.			

3. Based on their attitudes about school such as the importance of grades, time spent out of school studying, and the value of post-secondary education – Number of segments: Answers will vary.

Segment 1	Segment 2	Segment 3	Segment 4
Answers will vary.			

4. Prepare a graph identifying the specific segments and the number of students for each of the major segmenting categories studied.  
*Answers will vary. This classroom project emphasizes the number of possible target markets within a group that seems homogeneous.*

Activity 2 • Selling to a Segment

**Directions:** Choose a target market from the market segments described in Activity 1 and identify a product or service you would market to it. Describe why the product and target segment fit together.

Target Segment: Answers will vary. Product: Answers will vary.  
Reasons for your choices: Answers will vary and should show the relationship between the segmenting characteristics and the product choice.

## Lesson 9.2 Marketing Mix Alternatives

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F   1. It is easiest for businesses to compete when their products are nearly identical to those of their competitors.
- T   2. The product or service as a marketing mix element includes anything offered to the customer by the business that will be used to satisfy needs.
- T   3. Features can be added to a basic product to make one company's product different from and better than competitors' products.
- T   4. Options give customers choices of the product features they want to purchase.
- F   5. A product's brand name is the most important factor when customer's make a decision to buy.
- T   6. In addition to the type of transportation to use, distribution decisions include order processing, inventory control, product handling, protective packaging, and customer service.
- T   7. Life cycle analysis is a marketing tool that identifies the type of competition faced by a business.
- F   8. A product faces its greatest competition during the growth stage of the life cycle.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- A   9. Products aimed at a large market tend to be very
  - A. similar
  - B. unique
  - C. expensive
  - D. inexpensive
- C   10. When customers see few differences between products, they are more likely to choose a product based on
  - A. quality
  - B. brand name
  - C. price
  - D. convenience
- D   11. Which of the following is *not* an important purpose of promotion?
  - A. provide information
  - B. encourage a purchase decision
  - C. increase customer satisfaction with a decision
  - D. all of the above are important

## Activity 1 • Improving Market Appeal

**Directions:** Examine two products you have purchased and used—one that you found to meet your needs very well and one that was less satisfying than you expected. In the chart below, describe each part of the product element of the marketing mix, what made it satisfying, and what you would recommend as an improvement. Identify how each of the other marketing mix elements influenced your decision to buy and contributed to your satisfaction.

<b>Product 1</b> (very satisfying)	<b>Basic Product</b> <i>Answers will vary, but should reflect an understanding of the marketing mix.</i>	<b>Features/Options</b>
	<b>Services</b>	<b>Brand/Image</b>
	<b>Packaging</b>	<b>Guarantee</b>
	<b>Uses</b>	<b>Price</b>
	<b>Distribution</b>	<b>Promotion</b>
<b>Product 2</b> (less satisfying)	<b>Basic Product</b>	<b>Features/Options</b>
	<b>Services</b>	<b>Brand/Image</b>
	<b>Packaging</b>	<b>Guarantee</b>
	<b>Uses</b>	<b>Price</b>
	<b>Distribution</b>	<b>Promotion</b>

## Lesson 9.3 Analyzing Consumer Purchase Classifications

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F   1. Generally consumers make all of their product and service purchases in the same way.
- F   2. Consumers actively search for impulse goods.
- F   3. Price is the most important factor when purchasing all types of shopping goods.
- T   4. Most of the purchases made by consumers in grocery stores are convenience goods.
- T   5. Toothpaste may be a specialty good for some consumers.
- F   6. Shopping goods need to be available to consumers in convenient locations.
- T   7. Businesses that successfully sell unsought goods use a target market strategy to identify potential customers with strong needs related to the product.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- C   8. Products or services that are purchased as a result of an urgent need are
  - A. staple goods
  - B. impulse goods
  - C. emergency goods
  - D. shopping goods
- D   9. An example of an impulse good is
  - A. expensive jewelry
  - B. a bicycle
  - C. a piano
  - D. candy
- C   10. For price-based shopping goods,
  - A. the product is the most important mix element
  - B. consumers see important differences in product features
  - C. customers expect to find price differences among brands
  - D. all are correct
- B   11. Specialty goods
  - A. are always expensive
  - B. inspire strong brand loyalty
  - C. are not items a consumer actively shops to purchase
  - D. must be unique, high-quality products

Activity 1 • Mastering Consumer Purchase Classifications

**Directions:** Using the definitions of the categories, indicate a product/service for each classification based on YOUR purchase behavior and the brand name you would prefer.

CLASSIFICATION	PRODUCT/SERVICE CHOICE	PREFERRED BRAND
Convenience staple goods	<u>Answers will vary.</u>	_____
Convenience impulse goods	<u>Answers will vary.</u>	_____
Convenience emergency goods	<u>Answers will vary.</u>	_____
Attribute-based shopping goods	<u>Answers will vary.</u>	_____
Price-based shopping goods	<u>Answers will vary.</u>	_____
Unsought goods	<u>Answers will vary.</u>	_____

**Directions:** After you complete your list, compare it with the lists of several other classmates and answer the following questions.

*Answers will vary based on student perceptions and the value placed on different goods and services.*

Are the types of products in your lists more different or more alike? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What types of products were listed in different classifications by each of you? Why did that happen?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are brand names more important in some classifications than in others? Are they more important to some students than to others in all categories? Why do believe that is the case? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have similar or different brand preferences? Why or why not? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Lesson 9.4 Marketing Planning

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F   1. Marketing for most businesses has become quite simple, involving only a small number of activities.
- T   2. An effective marketing plan for a business should always be written.
- F   3. If a marketing plan is completed regularly, there will be little need to gather marketing information or complete marketing research.
- T   4. A marketing plan is developed for a specific time period, usually six months to one year.
- F   5. All businesses use the same information for developing their marketing plans.
- F   6. Marketing plans should be based on performance of competitors rather than the performance of the company.
- T   7. Much of the information needed to develop a marketing plan should already exist in a company's marketing information system (MkIS).

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- C   8. The effect of a marketing plan on a business is
  - A. it actually reduces planning time
  - B. it guarantees the business will make a profit
  - C. it improves decision making
  - D. it reduces marketing costs
- A   9. A marketing plan is based on
  - A. the company's marketing strategy
  - B. competitors' marketing plans
  - C. government laws and regulations
  - D. customer feedback
- C   10. Developing a marketing plan encourages the business to
  - A. make changes in the products offered for sale
  - B. put marketers in charge of important business decisions
  - C. coordinate marketing efforts with other business activities
  - D. all of the above
- D   11. Marketing planning requires
  - A. time
  - B. information
  - C. people who understand planning procedures
  - D. all of the above

## Activity 1 • Marketing Planning = Marketing Information

**Directions:** A useful marketing plan begins with information. Explain how a marketing plan can use the environmental information gathered by a marketing information system. To get you started, the first environmental factor has been analyzed.

MARKETING PLAN SECTION	TYPE OF INFORMATION	HOW IT IS USED
Economy	G.N.P., unemployment rate, recession, recovery, discretionary income, salaries	Invest in new product? Raise prices? Buying new equipment/land? Hire new employees? Change marketing mix?
Laws & Regulations	<i>New tax laws</i> <i>New environmental laws</i>	<i>Will more money be used to pay taxes, less for R &amp; D?</i>
Costs	<i>Cost of materials, salaries, and delivery systems; promotional expenses rising or falling</i>	<i>Will there be more or less money available for marketing planning?</i>
Competition	<i>New competition entering market, new products being developed, financial situation of competitors</i>	<i>Evaluate current situation, need new products to compete effectively</i>
Technology	<i>What new technology is available; impact on finances, current workforce, and competition</i>	<i>Price, accessibility</i>
Social Factors	<i>Change in the makeup of the workforce, changing family structure, environmental concerns</i>	<i>Product planning to accommodate new targets and concerns</i>

## Activity 2 • Plan a Trip

**Directions:** You are planning a vacation for your family. You will drive to the destination and stay for three days before driving home. Complete the following information to help you plan your vacation. Gather needed information using the Internet and a search engine.

Destination: \_\_\_\_\_ Why did you choose this destination? \_\_\_\_\_

What would make this a successful vacation for your family? \_\_\_\_\_

\_\_\_\_\_

Total miles to drive: \_\_\_\_\_ Cost of gasoline: \_\_\_\_\_ Hotel expense: \_\_\_\_\_

Cost of meals: \_\_\_\_\_ Cost of entertainment (list activities): \_\_\_\_\_

Additional expenses (list expenses): \_\_\_\_\_ Total cost of vacation: \_\_\_\_\_



## Lesson 9.5 Developing a Marketing Plan

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. A mission identifies the nature of the business or reasons it exists.
- T   2. The review of current marketing efforts helps marketers decide whether to continue with the same strategies or plan new ones.
- F   3. To avoid being influenced by the activities of competitors, a market plan should not include a competitive analysis.
- F   4. A positioning statement is a complete description of the target market and marketing mix the company will use.
- F   5. Because marketing is so complex, it is not possible to specify the marketing activities that need to be completed in the written marketing plan.
- F   6. If more than one market is identified as a target market, each market must be offered the identical marketing mix.
- T   7. The final section of the marketing plan identifies the actions needed to accomplish and evaluate the marketing strategy.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- B   8. A market analysis is often referred to as a
  - A. SPAM
  - B. SWOT
  - C. AIDCA
  - D. EIEIO
- A   9. An appropriate marketing goal would be to
  - A. increase market share by 5 percent in one year
  - B. improve the company's products
  - C. determine why the company is losing money
  - D. hire five new salespeople
- B   10. The most important part of the marketing plan, in terms of the company's success, is
  - A. information gathered to create the marketing plan
  - B. development of a marketing strategy
  - C. input from the company's managers
  - D. evaluation of past performance
- D   11. Which of the following questions would *not* be asked as part of the evaluation of marketing effectiveness?
  - A. Were marketing activities completed effectively and on time?
  - B. Were the marketing objectives accomplished?
  - C. Are the needs of the target market satisfied by the marketing mix?
  - D. All should be asked as part of the evaluation.

## Activity 1 • Developing a Plan

**Directions:** You currently work for a small neighborhood grocery store. Though the owner, J. R. Knight, has operated the business successfully for 25 years, he does not know a great deal about marketing or developing a marketing plan. Recently, the business has faced increasing competition from a new convenience store one block away and a large supermarket located in a shopping center that is about two miles from the grocery store.

You believe that if the owner analyzed his business situation including the new competition, defined his target market, and made careful marketing mix decisions, the business could continue to be successful. You have asked if you could help develop a marketing plan.

1. Prepare a presentation to J. R. Knight describing the parts of a marketing plan, its value to the business, and what would be needed to develop a plan for the grocery store.
2. Develop two charts or other visuals to support your presentation.
3. Be prepared to make your presentation to your teacher or to other students.

*Presentations will vary.*

## Activity 2 • Evaluating Results

**Directions:** A marketing plan is useful only if the results can be evaluated. If they can't be evaluated, the business will not know what works and what does not work. Therefore, it is important that the mix elements can be measured. Read the following case and help the restaurant owner measure and analyze the results of the new marketing strategy.

The owner of an Italian restaurant was reviewing sales records and realized that sales were slow for dinner time on Monday through Thursday. The restaurant seats 100 people. Records indicated that an average of 150 customers was served each night, and the average price of a dinner was \$11.

The owner decided that in order to increase sales, the restaurant would attempt to focus on a specific target market each day of the week. To support this, a promotional campaign was developed with a supporting marketing mix to advertise special days.

Monday—Kids Eat Free!  
 Tuesday—Senior Citizens—20% discount  
 Wednesday—Early Bird Special—15% discount on all meals served before 6:00 p.m.  
 Thursday—Late night special!—15% discount on all meals served after 8:00 p.m.

1. Here are the results after the first week of the advertised specials. Calculate the average meal price each night based on gross sales.

Day	Customers	Gross Sales	Average Meal Price
Monday	350 customers (of which 105 were children)	\$3,430	\$ 9.80
Tuesday	190 customers (of which 95 were senior citizens)	1,919	10.10
Wednesday	220 customers (of which 85 dined before 6:00)	2,464	11.20
Thursday	260 customers (of which 130 dined after 8:00)	2,730	10.50

2. Evaluate the effectiveness of each promotion and write a recommendation as to which should be continued. *Answers will vary.*

3. What additional information would be useful to the owner to plan a new marketing strategy?  
*Answers will vary.*